

MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN
THE PORT OF BELLINGHAM
AND
THE DEPARTMENT OF NATURAL RESOURCES

This Memorandum of Understanding is executed by and between the Department of Natural Resources and the Port of Bellingham in support of cooperative efforts to achieve environmental and land use goals in Bellingham Bay.

WHEREAS, the Port of Bellingham (Port) and the Department of Natural Resources (DNR) have been active partners in the Bellingham Bay Demonstration Pilot (Pilot), a cooperative approach to clean up historical contamination problems, restore habitat, and revitalize the community's waterfront; and

WHEREAS, the Whatcom County economy has been affected by a steady decline in heavy industrial uses of the downtown Bellingham waterfront and an increased demand for marina facilities and public access; and

WHEREAS, the Port and City of Bellingham (City) sponsored a local community visioning process, resulting in the Waterfront Futures Group Vision and Framework Plan with recommendations to change the downtown Bellingham waterfront from exclusively industrial uses to a mix of businesses, commercial, light industrial, residential and public access; and

WHEREAS, the Port and City have initiated a process to address these changing land use needs, including updates to the Comprehensive Land Use Plan for the waterfront areas, the Shoreline Master Program, the Comprehensive Scheme of Harbor Improvements and other local land use plans; and

WHEREAS, the Port has made a substantial commitment to achieving the community's vision by acquiring 137 acres of waterfront property previously owned by the Georgia-Pacific Corporation in exchange for responsibility to meet certain regulatory cleanup requirements; and

WHEREAS, DNR is an essential and strategic partner in the effort to implement the community's vision for revitalizing the Bellingham waterfront, because of DNR's jurisdiction over state harbor areas, waterways and other state-owned aquatic land; and

WHEREAS, DNR and the Port recognize that the current federal channel, state waterway and harbor area designations need to be updated to better reflect the current changes in the local economy, land uses, land use plans and navigation needs for the community waterfront; and

WHEREAS, DNR and the Port further recognize that the successful accomplishment of the community's vision for waterfront revitalization will require coordination and consistency between regulatory decisions for contaminated site remediation under the Bellingham Bay Demonstration Pilot and regulatory land use changes under federal, state and local authorities; and,

NOW, THEREFORE, the Port and DNR hereby desire to set forth their mutual understandings with regard to the matters addressed herein:

1. The Port and DNR reaffirm their commitment to the goals and objectives of the Bellingham Bay Pilot Project and to work cooperatively to accomplish environmental remediation, habitat restoration and the enhancement of appropriate waterfront land uses within Bellingham Bay.
2. The Port and DNR will coordinate their efforts to update harbor lines consistent with and supporting of the recommendations and findings of the community land use planning process. Such harbor line updates are expected to include relocation of the outer harbor line and portions of the inner harbor line.
3. The Port and DNR will coordinate their efforts to initiate a reauthorization of the federal navigation channel located in the Whatcom Waterway to ensure that these channel dimensions are appropriate to the needs of the community. It is anticipated that the channel reauthorization will modify the channel dimensions, and may de-authorize portions of the channel between Roeder Avenue and the Bellingham Shipping Terminal. The current channel designations in this area have never been fully implemented due to a lack of the requisite shoreline infrastructure, and the channel designations have become obsolete due to changing land use and navigation needs. Updating the channel designations through reauthorization will better support the community land use vision and the implementation of the cleanup, habitat restoration and land use objectives of the Pilot.
4. The Port and DNR will coordinate their efforts to update state waterway designations in the Whatcom, I&J and/or Squalicum Waterways. Some state waterway areas may be vacated by the state and converted to first class tideland status. Changes to state waterway designations will be consistent with the land use planning process and will comply with DNR constitutional and statutory requirements and DNR aquatic land management objectives.
5. The Port and DNR intend to explore potential land exchanges and/or joint development agreements where such actions would better support the implementation of the community land use vision and where such actions support DNR's aquatic land management objectives. Such exchanges may include properties located in the current harbor area and/or vacated portions of state waterways, if these areas have been converted to first-class tidelands.
6. The Port and DNR intend to continue working cooperatively to accomplish the environmental remediation of multiple sites, including but not necessarily limited to the Whatcom Waterway, the Cornwall Avenue Landfill, the I&J Waterway, and the Harris Avenue Shipyard sites. It is anticipated that such environmental remediation will optimize environmental protection consistent with MTCA and SEPA requirements, and will employ the appropriate use of multiple cleanup technologies. Where final environmental

remediation plans involve management in-place of impacted sediments, the Port and DNR will develop appropriate institutional controls. For those waterways where impacted sediments are managed in place, the Port will take full responsibility for implementing the cleanup and managing their long-term care.

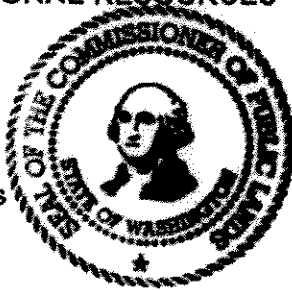
7. The DNR and the Port agree that this Memorandum of Understanding sets forth the intention of each party and that the DNR and the Port will continue to work cooperatively to develop agreements and take actions that fulfill the understandings set forth herein.
8. The specific actions to be completed in fulfillment of this memorandum remain subject to the normal procedural reviews of the Port and DNR, including where appropriate the review and approval of the Board of Natural Resources and/or the review and approval of the Commission of the Port of Bellingham.

Dated this 30th day of November 2005.

THE DEPARTMENT OF NATURAL RESOURCES


Doug Sutherland

Commissioner of Public Lands



PORT OF BELLINGHAM


Doug Smith, President

Board of Commissioners